

## Report to Commissioning Partnership Board

**Date:**

Thursday, 29 November 2018

**Subject:**

Section 75 Budget Monitoring

**For Approval**

**Report of:**

Ben Galbraith (CFO Oldham CCG)  
Anne Ryans (DOF Oldham Council)

**Portfolio holder:**

Councillor Zahid Chauhan

**Sign-off:**

Joint Leadership Team

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### Summary of issue:

Section 75 agreements exist between Local Authorities and the NHS nationally for the pooling of budgets to facilitate closer working. Historically Oldham Council & Oldham CCG have entered into such an agreement. The scope of services contained within the Section 75 agreement has increased considerably for 2018/19 as a result of exploring more integrated ways of working across the health & social care economy. The main purpose is to facilitate a whole system approach to deliver care where & how it needs to be delivered to the citizens of Oldham.

The purpose of this report, which has been presented and approved by Joint Leadership Team on 12<sup>th</sup> November 2018 is to set out the budget monitoring position as at month 6 in respect of the Section 75 pooled budget arrangements for Oldham Cares.

### Recommendations to Commissioning Partnership Board:

- To note the month 6 position.
- To note that Oldham Council Cabinet approved the variation to contributions to the pooled budget for 2018/19 & 2019/20 on 19<sup>th</sup> November 2018 in accordance with the Council's formal governance processes.
- To approve the proposed variations to contributions to the pooled budget by Oldham Council and Oldham CCG.

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## 1. Report details

- 1.1 The initial Section 75 agreement for Oldham Cares for 2018/19 encompassed pooled budgets totaling £135.625m. This has reduced to £135.035m with the movement of resources and virements between budgets in and outside of the pool. Against the revised budget there is a forecast adverse variance of £3.318m, summarised in the table below and is analysed in more detail in Appendix 1.

	Month 6 Position			
	Original Budget	Revised Budget	Forecast	Variance
	£m	£m	£	£m
Pooled Aligned Budget	125.0	124.4	127.7	3.3
Community Equipment Pooled Budget	1.4	1.4	1.4	0.0
Transformation Fund	9.2	9.2	9.2	0.0
<b>Total Pooled Funds</b>	<b>135.6</b>	<b>135.0</b>	<b>138.3</b>	<b>3.3</b>

- 1.2 Oldham Council is reporting a pressure of £0.973m within the Pooled Aligned Budgets for which it is the lead commissioner/ provider. The forecast over spend relates to community care placements, linked to Learning Disability and Mental Health and also Older People and Safeguarding. The over spend is offset by favourable variances from income generation and salaries costs; these variances relate to budgets which are not currently within the Section 75 agreement. This therefore means that, the Health and Adults Social Community Care Services portfolio is forecasting a balanced outturn and as such does not currently present a financial risk to Oldham Cares or the wider integrated health economy in Oldham.
- 1.3 Correspondingly the CCG is reporting an adverse variance £2.345m within the Pooled Aligned Budget for which it is the lead commissioner/ provider. This has been principally caused by under-delivery of CCG efficiency measures (“QIPP schemes”) of £2.361m as at month 6 due to delayed implementation of the CCG’s Choice and Equity Policy. This is offset by forecast savings from the CCG reducing the number and cost of out of borough placements.
- 1.4 The Council and the CCG are in the process of agreeing to revise their contributions to the pooled budget for 2018/19. At Cabinet on the 19<sup>th</sup> November and in accordance with the Council’s formal governance processes, approval was given for the Council to increase its contribution to the Section 75 Pooled Fund by £5.9m (financed by earmarked reserves). As a result the CCG will reduce its contribution by a corresponding £5.9m. Respective contributions can be reviewed in the next financial year to allow the health and social care economy the flexibility to manage its collective finances in a coordinated approach.

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## **2. Financial implications**

2.1 The financial position is included in the body of the report.

## **3. Legal implications**

3.1 N/A

## **4. HR / People implications**

4.1 N/A

## **5. Links to Council/CCG values**

5.1 N/A

## **6. Communications – comments/implications**

6.1 N/A

## **Appendix 1**



CPB Report Section  
75 Monitoring Month